



Natural Resources Conservation Service
655 Parfet Street, Room E200C
Lakewood, Colorado 80215

VIA ELECTRONIC MAIL

COLORADO BULLETIN NO.: 300-05-09

Date: August 24, 2005

SUBJECT: LTP – ProTracts Long Term Contract Modification Procedures and Changes

TO: All Colorado Area Conservationists
All Colorado District Conservationists
All Colorado Area Resource Conservationists for Programs

PURPOSE: Migration of Environmental Quality Incentives Program (EQIP) data from the Farm Service Agency (FSA) to Natural Resources Conservation Service (NRCS)

EXPIRATION DATE: September 30, 2005

ACTION REQUIRED BY: August 31, 2005

In order to facilitate an efficient migration of EQIP data from the FSA to NRCS in FY2005, District Conservationists were given permissions in ProTracts to approve modifications. This approval was for EQIP contracts only and was for modifications that did not require adding new funds to contracts. Effective immediately that approval authority is rescinded.

It was never the intention of the Agency for these permissions to remain long term. In order to provide adequate control and oversight of modifications it is necessary to restrict the number of individuals with the authority to approve modifications. As the Contracting Officer for EQIP, it is the responsibility of the Area Conservationists (AC) to certify modifications are correct and to approve them. They may delegate this authority to the Area Resource Conservationist for Programs (ARC-P).

Earlier this month a moratorium was placed on all modifications to long term contracts managed in ProTracts for all EQIP contracts and FY2004 and 2005 Wildlife Habitat Incentive Program (WHIP) contracts. This was due to the planned reconciliation between ProTracts and Foundation Financial Information System (FFIS). This process was necessary to insure the fund balances between the official accounting system, FFIS, and the program management software, ProTracts, matched.

The result of this activity is that there are significantly fewer dollars available for modifications that require the addition of new funds to a contract. All District Conservationists (DC) are to notify the Area office **no later than close of business August 31, 2005**, of any contracts requiring modifications to add new funds where either of the following conditions exists:

- The participant has already completed the work based on the approved NRCS design and a payment is pending the approval of the modification
- The participant was told by NRCS to proceed with the work based on the actual NRCS design but is not yet completed and payment is not pending.

The ARC-P is to review these modifications to insure that the modification meets the requirements of "Scope of Contract" and "Cost Over-run" as defined in the current EQIP manual. Please consider that these requirements will apply for WHIP modifications as well. Particular attention should be given to those modifications requesting significant increases in funding. This is defined as requests increasing the amount of the original obligation by more than 20%. Significant increases raise questions as to whether or not the modification is legitimately considered within the scope of the contract. Once a modification is determined to be correct, the ARC-P will forward it to the State office indicating which category it falls in.

Once these obligations have been met then we will consider lifting the moratorium on new modifications requiring the addition of new funds. Until then, District Conservationists are **NOT** to process new modifications for the addition of new funds.

In order to expedite the process, modifications that are managed in ProTracts will be approved at the State office once it has been certified that adequate funds exist to approve the modification. Authority to approve these modifications is granted to the Assistant State Conservationist for Programs (ASTC-P) and the Resource Conservationist for Programs (RC-P) in Lakewood.

The moratorium on all modifications in ProTracts for EQIP and WHIP that do not require the addition of new funds to a contract is lifted. Field offices may proceed with preparing these modifications and transmitting them to the Area office for approval.

One other important change brought about by the reconciliation between FFIS and ProTracts is that "slippage" will no longer remain within a contract as before. Any time a practice or component of a practice is deleted or is paid for at less than the amount planned; those funds leave the contract and return to the parent fund in ProTracts. District Conservationists and staff need to be sure and take this into consideration during contract management.

If you have questions, please contact Tony Puga, Resource Conservationist for Programs, at 720-544-2821.

/s/ Petra Barnes (for)

ALLEN GREEN
State Conservationist

cc: Dawn Jackson, Acting ASTC-P, NRCS, Lakewood, CO
Tony Puga, RC-P, NRCS, Lakewood, CO

DIST: A, D, Area Resource Conservationist for Programs